

**Escalation Rate Assumptions
For DOE Projects
(January 2004)**

	Project Categories*									
	Construction		EM		IT		O&M		R&D	
FY	Index	%	Index	Rate	Index	Rate	Index	Rate	Index	Rate
2002	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-
2003	1.021	2.1	1.020	2.0	1.008	0.8	1.018	1.8	1.023	2.3
2004	1.046	2.5	1.047	2.7	1.017	0.9	1.045	2.6	1.051	2.8
2005	1.076	2.9	1.075	2.7	1.022	0.5	1.073	2.7	1.080	2.7
2006	1.106	2.8	1.103	2.6	1.032	1.0	1.101	2.6	1.108	2.6
2007	1.135	2.6	1.130	2.4	1.041	0.8	1.127	2.4	1.136	2.5
2008	1.164	2.6	1.157	2.4	1.049	0.8	1.154	2.4	1.164	2.5
2009	1.194	2.6	1.185	2.4	1.057	0.8	1.182	2.4	1.193	2.5

These Rates are based on Material and Labor data contained in the Energy Supply Model, provided by Global Insight, in January 2002. Locally obtained rates, different from those above, may be used. Additional advice and assistance can be obtained from OECM. Point of Contact: T. Ross Hallman, National Energy Technology Laboratory (NETL), 304-285-4837.

* Note that these Project Categories are aligned with those *Project Types* in the Project Assessment and Reporting System (PARS), which are included as follows: (1) System; (2) Facility Construction; (3) Infrastructure Improvements; (4) Restoration; (5) Disposition; (6) Information Technology; (7) Plant.

Construction (PARS Project Type (2) Facility Construction and (3) Infrastructure Improvements):

Includes Vertical (e.g. General Building Construction, Administration Buildings, Lab Facilities); Horizontal (e.g. Railroads, Road Work, Bridges, Tunneling, Site Improvements, Site Utilities, Dams / Waterways); and Facilities / Infrastructure (e.g. Chemical Plants, Vitrification Plants, Process Plants, Incinerators, Accelerators, One-of-a-Kind Facilities, and Modifications).

Environmental Management (EM) (PARS Project Types (4) Restoration and (5) Disposition):

Includes Restoration (e.g. Groundwater Remediation, Soils Remediation) and D&D/d&d (e.g. Reactors, Process Facilities, Administration Facilities, Medical Facilities, Laboratory Facilities, Security Facilities).

Information Technology (IT) (PARS Project Type (6) Information Technology):

Includes Hardware, Software, Modeling / Simulation

Operations and Maintenance (O&M) (PARS Project Type (7) Plant):

Includes Lab O&M (e.g. Equipment Replacement, System Maintenance, HEPA Maintenance, Equipment Maintenance); Production O&M (e.g. Chemical Processing, Vitrification Operations, Waste Management, Manufacturing); and Other O&M (e.g. Maintenance Work, Roof Replacement, Building Systems, Landlord Activities, Hotel Load Maintenance).

Research and Development (R&D) (PARS Project Type (1) System):

Includes R&D (e.g. Fossil Energy, Energy Research, Solar Energy, Alternative Energy Sources); Applied Science (e.g. Medical, Basic Science); and Nuclear R&D (e.g. Weapons Production, Security Infrastructure, Weapons Simulation, Nuclear Energy).